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DEPARTMENT OF STATE

Washington, D.C. 20520

NSC UNDER SECRETARIES COMMITTEE

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NSC-U/DM-138

April 7, 1976

TO: The Deputy Secretary of Defense
The Assistant to the President for
National Security Affairs
The Director of Central Intelligence
The Chairman of the Joint Chiefs of Staff
The Under Secretary of the Interior
The Director, National Science Foundation
The Administrator, Federal Energy
Administration

SUBJECT: US Policy Toward Svalbard (Spitsbergen)

The Acting Chairman has forwarded the attached Memorandum to the President. A copy is provided for your information.

Wreatham E. Gathright
Staff Director

Attachment:

As stated

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NSC-U/DM-138

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MEMORANDUM FOR THE PRESIDENT

Subject: US Policy Toward Svalbard
(Spitsbergen)

As directed, the Under Secretaries Committee has conducted a comprehensive review of US policy toward the Norwegian Arctic territory of Svalbard (formerly called Spitsbergen) including US strategic, economic, and political interests; legal questions posed by Norway's sovereignty claims, relevant law of the sea interests, and the attitudes of our Allies. The principal issues for policy decision are summarized below. Recommendations of the Members of the Under Secretaries Committee are presented for your consideration. A detailed report, prepared by an interagency group under the chairmanship of the Department of State is attached.

I. Background

Under the 1920 Treaty of Spitsbergen, the "full and absolute sovereignty of Norway" over the Svalbard archipelago is recognized, subject to certain stipulations, principally (1) that the nationals of all signatories may carry on economic operations on a basis of absolute equality and (2) that Norway not create or allow the establishment of any naval base or construct any fortification in the archipelago. This territory

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"may never be used for war-like purposes".

The long-established Norwegian and Soviet coal mining operations are the only economic enterprise of any size on Svalbard. Oil exploration on the islands of the archipelago has been undertaken by American and European companies as well as by the Soviets from the 1960's. No oil has been found and only insignificant amounts of gas.

Geologic studies have, however, led to high expectation of petroleum wealth lying under the continental shelf around Svalbard. Estimates of unproven oil reserves in the shelf area could be comparable to present proven reserves in the US or the North Sea. Taking into account the necessary time for exploration and development of necessary technology, initial oil production would not be expected before the mid-1980's at the earliest, with high production levels reachable in the 1990's. Development would depend on continued high oil prices as costs will be much higher than costs for North Sea oil.

The Svalbard archipelago and its adjacent seas also have a present and a potential military significance which derive from their proximity to the Soviet Kola Peninsula, the importance of the ice-free routes between the Barents and the Norwegian Seas, and the possible utilization of these seas as patrol zones for ballistic missile-submarines. From its bases along the Kola Peninsula, the Soviet Northern Fleet (comprising about one-fourth of the Soviet Union's major surface combatants and one-half of its submarines) enjoys the only ice-free unrestricted access to the open ocean from European Russia.

II. Major Issues

We need to determine United States policy,

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